GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4548
ANSWERED ON:23.12.2005
TARGET FOR GROWTH OF DEPOSITS
Panda Shri Prabodh

Will the Minister of FINANCE be pleased to state:

(a) whether the banks have projected lower targets for growth of deposits, advances and reduction of non-performing assets (NPAs) during current year;

(b) if so, the details thereof; and :

(c) the reasons for such lower targets than previous year ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANTCKAM)

(a) to (c) : The banks plan their business strategy taking into consideration various factors viz prevailing macro-economic conditions, competition from other market players, etc. Public Sector Banks have, however, submitted to the Govt. a `Statement of Intent on Annual Goals` for the financial year 2005-06 indicating quantitative and qualitative targets on various performance parameters viz. Capital to Risk Weighted Asset Ratio (CRAR), Earning per share, Growth in business, Priority Sector Lending, NPAs, Profitability, Improvement in risk management practices, Use of technology, Special efforts in reaching out to the under-privileged etc. The Statements of Intent on Annual Goals submitted by the PSBs are reviewed on an ongoing basis. Wherever the progress is found to be lagging behind as compared to the Annual Goals, the banks are advised to take effective steps to ensure achievement of the target.